

## Message Text

PAGE 01 STATE 091190

72

ORIGIN EB-07

INFO OCT-01 IO-10 ISO-00 /018 R

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DRAFTED BY EB/FTD:WCMIMS:HM

APPROVED BY EB/FTD:WCMIMS

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FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

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GENEVA FOR PHELAN, AND MICHAEL B. SMITH

REF: SAN SALVADOR 1036

FOL REPEAT SAN SALVADOR 1514 SENT ACTION SECSTATE  
APR 18

QTE

LIMITED OFFICIAL USE SAN SALVADOR 1514

E.O. 11652 - N/A

TAGS: ETRD, ES

SUBJ: TEXTILES: USG-GOES BILATERAL AGREEMENT

REF: SAN SALVADOR 1036

GENEVA FOR PHELAN;

1. IN A CALL ON FONMIN BORGONOVO ON APRIL 16 TO DISCUSS OTHER MATTERS, I REMINDED HIM THAT HE HAD EXPECTED HIS GOVERNMENT TO COMPLETE ITS TEXTILE IRM SURVEY AND ANALYSIS BY MID-APRIL TO ENABLE US TO GET ON WITH OUR EFFORTS TO CONCLUDE THE TEXTILE AGREEMENT. I MENTIONED OUR RECEIVING A TELEPHONE CALL FROM THE DEPARTMENT RECENTLY ON THIS SUBJECT.

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PAGE 02 STATE 091190

2. HE REPLIED THAT THE WORK WAS BEING CHAIRED BY MILIAN OF THE SALVADORAN EXPORT INSTITUTE, AND THAT HE WOULD CONTACT HIM TO ASCERTAIN THE STATUS AND LET ME KNOW.

3. IN SUBSEQUENT CONVERSATION WITH ECONOFF, MILIAN CONFIRMED THAT STUDY IS ESSENTIALLY COMPLETED. STATISTICS ARE BASED ON QUESTIONNAIRE SENT TO PRODUCERS AND REVIEWED BY REPRESENTATIVES OF INSTITUTE DURING PLANT VISITS. DETAILED REPORT WILL BE AVAILABLE LATER. INITIAL GROSS ESTIMATES OF EXPORTS TO US, BROKEN DOWN BETWEEN GROUPS I AND II PER FORMAT OF MEMORANDUM OF UNDERSTANDING ARE AS FOLLOWS:

EXPORTS TO US (IN SYE)

1974; 1975; 1976;

GROUP I: 3,918,420; 19,819,000; 36,320,000;

GROUP II: 12,475,000; 26,709,000; 32,041,000;

TOTAL: 16,393,420; 46,528,000; 68,361,000;

MILIAN SUGGESTS GOES WILL ASK FOR REVISION OF QUANTITIES IN MEMORANDUM OF UNDERSTANDING TO ACCOMMODATE FULL AMOUNTS GIVEN ABOVE, BASING ARGUMENTS ON PROVISIONS FOR SPECIAL TREATMENT FOR NEWLY INDUSTRIALIZING LDC'S CONTAINED IN MFA. HE ALSO ARGUES PERCENTILE GROWTHS ARE MISLEADING GIVEN SMALL HISTORICAL BASE.

4. COMMENTS: FONMIN MAY WELL CHOSE TO MODIFY RATHER EXTREME REQUESTS WHICH MIGHT COME FROM STUDY. STUDY ITSELF HAS NOTABLE FLAWS AS DO ASSUMPTIONS OF GOES. SPECIFICALLY, 1974 DATA BASICALLY CONFIRM US STATISTICS WHILE 1975 AMOUNTS REFLECT THREE MONTH EXPORT DATA PLUS CONTRACTED EXPORTS. ON CLOSE QUESTIONING, CONTRACTED AMOUNTS INCLUDE LARGE QUANTITIES BASED ON VERBAL AND OTHER NON-BINDING COMMITMENTS PLUS AN EXPECTED MAJOR QUOTE CYCLICAL UNQUOTE UPSWING LATER IN THE YEAR. STRAIGHTLINING THREE MONTH DATA WOULD PROBABLY GIVE A FAR DIFFERENT PICTURE. 1976 ESTIMATES ARE AN EXTRAPOLATION FROM SHAKY 1975 DATA. ECONOFF ALSO QUESTIONED GOES POSITION THAT BILATERAL SHOULD BE BASED ON ESTIMATED GROWTH RATHER THAN HISTORIC LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 STATE 091190

LEVELS. END COMMENT.

5. I EXPECT THAT FOREIGN MINISTER WILL DISCUSS STUDY FORMALLY WITH ME IN LATE APRIL OR EARLY MAY AND I ANTICIPATE FORMAL REQUEST FOR NEW DISCUSSIONS WILL BE PRESENTED AT THAT TIME.

CAMPBELL

UNQTE

KISSINGER

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## Message Attributes

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**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILE INDUSTRY, AGREEMENTS, NEGOTIATIONS, SURVEYS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
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**Reference:** n/a  
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**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18 JUN 2003 by BoyleJA>; APPROVED <30 OCT 2003 by greeneet>  
**Review Markings:**

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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
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**To:** GENEVA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006